



State of Colorado
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 Uniform Debt Management Services Act
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2009 Annual Report – Colorado Debt Management Services Providers

This is a composite of all reports made to the Administrator of the Uniform Consumer Credit Code, pursuant to 12-14.5-211(c)(8), C.R.S., from registered Debt Management Providers. This information has not been independently verified.

2009 General Information

Number of Providers reporting data for 2009: 45¹

Total number of agreements Colorado Consumers entered into during 2009: 12,013

Total Activity for 2009 by Provider Type	Credit Counseling ²	Debt Settlement ³
Total Number of Agreements	7,912	4,101
Average Amount of Debt per Consumer	\$22,802.25	\$29,996.11
Average Term of Agreement	49.74 months	39.18 months
Average Fees Collected ⁴	\$361.63	\$997.50

2009 Credit Counseling Activity

Money received from Colorado Consumers: \$95,466,483
 Money paid to Creditors: \$90,238,032

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Number of Agreements	7,912	6,601	7,251	7,708
Percent of Completed Agreements ⁵	0.49%	2.89%	7.24%	15.93%
Percent of Active Agreements	78.86%	50.02%	34.93%	24.53%
Percent of Terminated Agreements	20.65%	47.09%	57.83%	59.54%

¹ Of this number, 32 are credit counseling providers, 11 are debt settlement providers and 2 provided both services.

² Credit Counseling providers negotiate with a consumer's creditors to establish a debt management plan that may include interest rate reductions, lower fees, and lower monthly payments. Plans typically provide full repayment of the principal amount of debt enrolled in the plan. Consumers make monthly payments to credit counseling providers. This money is held in the provider's trust account. Funds are then disbursed monthly to creditors on behalf of the consumer.

³ Debt Settlement providers negotiate with a consumer's creditors to settle debts for less than the full balance owed. Debt settlement providers do not make regular payments to creditors. Instead, consumers make monthly deposits into savings or special purpose accounts. Once a certain balance in the account has been achieved, the debt settlement provider attempts to reach a settlement with each creditor for less than the full balance owed.

⁴ Maximum allowable charges for Credit Counseling Providers may not exceed \$50 for a monthly service fee and a one time \$50 initial set up fee. Maximum allowable charges for Debt Settlement Providers may not exceed 18% of the total principal amount of the debt at the time of enrollment.

⁵ "Completed agreements" means all debts settled or paid.

2009 Debt Settlement Activity

Total Amount of Debt Covered Under Debt Settlement Agreements: \$119,737,227

For Debt Settled in 2009:

Original balance at time of enrollment:	\$25,448,071
Balance of debt at time of settlement:	\$30,345,851
Settlement amount paid:	\$13,448,316

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Number of Agreements	4,101	2,823	2,551	1,419
Percent of Completed Agreements ⁵	1.10%	4.92%	9.53%	11.35%
Percent of Active Agreements	56.84%	34.50%	27.24%	27.55%
Percent of Terminated Agreements	42.06%	60.58%	63.23%	61.10%